
A BILL FOR AN ACT

RELATING TO CAPITAL GAINS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 235-51, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) If a taxpayer has a net capital gain for any taxable
4 year to which this subsection applies, then the tax imposed by
5 this section shall not exceed the sum of:

6 (1) The tax computed at the rates and in the same manner
7 as if this subsection had not been enacted on the
8 greater of:

9 (A) The taxable income reduced by the amount of net
10 capital gain, or

11 (B) The amount of taxable income taxed at a rate
12 below 7.25 per cent, plus

13 (2) A tax of [7.25] _____ per cent of the amount of
14 taxable income in excess of the amount determined
15 under paragraph (1).

16 This subsection shall apply to individuals, estates, and
17 trusts for taxable years beginning after December 31, 1986."



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect upon its approval;
4 provided that:

5 (1) This Act shall be repealed on January 1, 2010 and
6 section 235-51, Hawaii Revised Statutes, shall be
7 reenacted in the form in which it read on the day
8 before the approval of this Act; and

9 (2) This Act shall apply to taxable years beginning after
10 December 31, 2008 and ending before January 1, 2010.
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INTRODUCED BY:

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Report Title:

Taxation; Capital Gains

Description:

Provides a vehicle to change the rate of the state capital gains tax for one year.

